

but two are comparable to the seat per mile cost of a Chevrolet car. Madam Chairman, I wonder how the minister could have arrived at the conclusion that this segment of the industry is using more than its share of fuel, or an excess amount as compared to every other mode of transportation such as automobiles, boats, and so on.

Another important fact is that the latest aircraft engines and airframe designs are particularly directed at fuel economy. In many cases, engines for new aircraft are 20 per cent to 50 per cent more efficient than before. This tax is going to discourage the importation of new generation aircraft and engines, and this is going to be detrimental to the acquisition of aircraft which would bring the best fuel economies in the long-term picture of Canadian aviation.

This is an arbitrary and unjustified tax and I feel it might very well provoke retaliatory action from the United States. Such action would be disastrous for Canada's teetering aviation manufacturing industry, particularly the new STOL aircraft and the commuter aircraft which De Havilland of Canada is building and specializing in. Any such retaliation might well be against all areas of Canadian manufacturing.

● (1420)

The minister is under an obligation to answer some of the questions we have asked on this subject. I hope he will do so as soon as I have finished speaking. Will the minister tell the committee what studies were undertaken which led to the tax proposal? Will he table projections relating to aircraft which show how much tax will be collected? We have heard about the total tax to be collected. I have asked particularly about aircraft. Also, how much fuel is it estimated will be saved as a result of the tax, and have the studies shown the adverse effects on the economy resulting from the tax, and especially the adverse effects on the large number of Canadians employed in the aviation industry?

I place particular emphasis on the need for the minister to prove just how large these fuel savings will be, as fuel savings were given as the principal reason for the tax. My figures show that general aviation consumes only 8.6 per cent of net aviation fuel sales. This represents, when translated to basic production of oil, 4,000 barrels per day. That is the total amount of fuel consumed by that segment of the aviation industry. If the minister is right, if his department's estimate of a 20 per cent fuel saving as a result of these measures is correct, that still means that only 800 barrels per day will be saved. Compare the production of 800 barrels a day with the production of only one well in the frontier areas of Canada. A commercial well in frontier areas of Canada produces probably five times as much oil as is likely to be saved under this measure.

Let us remember that because of this government's budget a large number of holes, some of which could turn into potentially productive wells, have been cancelled. For the record, since the last federal budget, 55 holes have been cancelled in British Columbia. Hon. gentlemen in the party to my left should recognize that the adverse policies of the socialist government of Saskatchewan have reduced the number of rigs now working in that province to two, compared with 30, 40 or 50 a few years ago. Today they are

#### *Excise*

drilling about 150 holes in Saskatchewan; they drilled 286 last year, compared with about 1,000 a year three or four years ago. Although the present proposed measures may lead to a saving of 800 or 1,000 barrels a day, the minister's last budget has worked completely against the attainment of the objectives he is seeking. The fact remains that literally hundreds of holes have been cancelled.

Yesterday the minister told the committee that until we re-establish our reserves and reach a balance between the oil producing and consuming countries of the world, conservation measures are necessary. He also spoke about new sources of energy. If the minister is truly concerned about re-establishing reserves, why did he in his budget virtually wipe out, kick the props out from under the important oil and gas producing industry of Canada? If the minister truly intends to use these special taxes as fuel conservation measures, why does he not increase the price of fuel? In this way he could achieve a more meaningful fuel saving and follow the lead shown by the President of the United States.

In conclusion, the minister must come clean with the people of Canada. He must come forward with evidence to prove he is not misleading the public by claiming his actions are a fuel saving measure. The minister is under the obligation of proving that this ill-advised tax proposal has been brought forward to save fuel. He must give us the facts. I do not think the minister can admit his advisers are ignorant, yet I am satisfied that the claimed fuel savings cannot be proved. I hope the minister will speak as soon as I have finished.

It may be assumed that the moves by the minister were a direct attack on the viability and future of general aviation in Canada. The minister is under the obligation of answering that question. Does he intend to eliminate this vital and significant industry from the Canadian scene? If so, he should say so and not cover up this policy, if that is what he really intends to do. But if he continues to maintain that fuel conservation is really the objective of this measure, I suggest he is perpetrating a fake and a deception on the Canadian people.

**Mr. Stanfield:** Madam Chairman, I will gladly yield the floor to the minister if he wishes to answer the questions asked by the hon. member for Calgary South. As he does not seem to be in a hurry to rise, I am taking this opportunity to make some comments on the bill. First, if I may deal with aspects relating to fuel conservation, there has been a good deal of discussion about those parts of the bill relating to the additional tax to be imposed on boats with certain sized engines. I have had representations from manufacturers of these kinds of boats as well as from other people in the business. What strikes me is this: the minister, as he must realize, has taken a step which will create serious difficulties for people in business. It is bound to have serious consequences for businesses involved in this area and, consequently, for people employed in those businesses.

We all recognize that we need to conserve energy. It is one thing to put before the country measures which will cause inconvenience and damage to some; it is one thing to bring these forward as part of a comprehensive package to conserve energy so that all Canadians can share the load in implementing conservation measures; but it is quite